

Message Text

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ACTION EUR-25

INFO OCT-01 EA-11 ISO-00 AID-20 CIAE-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 XMB-07 OPIC-12 SPC-03 CIEP-02

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FM AMEMBASSY LONDON

TO SECSTATE WASHDC 4014

INFO AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDOC WASHDC

TREASURY DEPT WASHDC

UNCLAS LONDON 10607

DEPARTMENT FOR FRB

E.O. 11652: N/A

TAGS: EFIN, UK

SUBJECT: UK TRADE IN AUGUST

BEGIN SUMMARY: IN AUGUST, THE UK RECORDED A VISIBLE TRADE DEFICIT OF 196 MILLION POUNDS (S.A.) WITH RECORD EXPORTS OF 1,012 MILLION POUNDS (F.O.B., S.A.) AND RECORD IMPORTS OF 1,208 MILLION POUNDS. THE BALANCE ON SERVICES AND OTHER TRANSACTIONS IS ESTIMATED TO HAVE BEEN RUNNING AT A MONTHLY SURPLUS OF ABOUT 65 MILLION POUNDS. THE CURRENT ACCOUNT IS ESTIMATED TO HAVE BEEN IN DEFICIT BY 131 MILLION POUNDS. END SUMMARY.

1. IN AUGUST, THE UK HAD A VISIBLE TRADE DEFICIT OF 196

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MILLION POUNDS (S.A., F.O. B., B/P BASIS), COMPARED WITH A

VISIBLE TRADE DEFICIT OF 158 MILLION POUNDS (REVISED) IN JULY AND A DEFICIT OF 135 MILLION POUNDS (REVISED) IN JUNE. IN THE THREE MONTHS, JUNE TO AUGUST, THE AVERAGE MONTHLY DEFICIT ON VISIBLE TRADE WAS 163 MILLION POUNDS COMPARED WITH 56 MILLION POUNDS IN THE PREVIOUS THREE MONTHS. THE TERMS OF TRADE HAVE CONTINUED TO WORSEN. BETWEEN MAY-JULY AND FEBRUARY-APRIL, THE TERMS OF TRADE INDEX FELL BY 5 PERCENT WITH THE IMPORT UNIT VALUE INDEX RISING BY A LITTLE MORE THAN 8 PERCENT AND EXPORT UNIT VALUE INCREASING BY UNDER 4 PERCENT.

2. THE VALUE OF UK EXPORTS IN AUGUST WAS A RECORD 1,012 MILLIONS POUNDS (S.A., F.O.B., B/P BASIS), UP FROM 982 MILLION POUNDS IN JULY, AND 966 MILLION POUNDS (REVISED) IN JUNE. EXPORTS WERE UP 9 PERCENT IN THE JUNE-AUGUST PERIOD WHEN COMPARED TO THE PREVIOUS THREE MONTHS.

EXPORTS TO THE EC INCREASED BY 12 PERCENT, TO EFTA BY 6 PERCENT, TO THE STERLINE AREA OUTSIDE EUROPE BY 8 PERCENT WHILE THOSE TO NORTH AMERICA DECLINED BY 3 PERCENT WHEN THE TWO THREE-MONTH PERIODS ARE COMPARED.

3. THE VALUE OF UK IMPORTS IN AUGUST WAS A RECORD 1,208 MILLION POUNDS (S.A., F.O.B., B/P BASIS), UP FROM 1,140 MILLION POUNDS (REVISED) IN JULY AND 1,101 MILLION POUNDS (REVISED) IN JUNE. IN THE PERIOD JUNE-AUGUST, IMPORTS WERE UP 8 PERCENT WHEN COMPARED TO THE PREVIOUS THREE-MONTH PERIOD. IN COMPARING THESE TWO PERIODS, IMPORTS FROM WESTERN EUROPE ROSE BY 11 PERCENT, FROM THE EC BY 13 PERCENT, FROM EFTA BY 7 PERCENT, WHILE IMPORTS FROM NORTH AMERICA AND THE STERLINE AREA OUTSIDE EUROPE WERE LITTLE CHANGED BETWEEN THE PERIODS.

4. THE SURPLUS ON INVISIBLES RAN AN ESTIMATED 65 MILLION POUNDS. THE ESTIMATED CURRENT ACCOUNT DEFICIT FOR AUGUST IS THUS PUT AT 131 MILLION POUNDS COMPARED TO A DEFICIT OF 93 MILLION POUNDS (REVISED) IN JULY.

5. THE TOTALS FOR THE VISIBLE TRADE ACCOUNT FOR THE FIRST EIGHT MONTHS OF 1973 COMPARED TO THE FIRST EIGHT

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MONTHS OF 1972 ARE AS FOLLOWS:

	EXPORTS	IMPORTS	BALANCE
1972	5712	6067	-335
1973	7438	8553	-1115

NOTE: FIGURES HAVE BEEN REVISED, ALL FIGURES ARE F.O.B. S.A., B/P BASIS IN MILLION OF POUNDS.

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Message Attributes

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Draft Date: 14 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
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30 JUN 2005

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Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005